Exhibit 2



Date: 16 January 2004

To: Coastal Conservancy Board Members

From: Sam Schuchat, Joan Cardellino

Subject: Proposed Education Program Policy

BACKGROUND

The Coastal Conservancy's enabling legislation was amended in January 2002 with Section 31119 (see Attachment A below) that gave us explicit authority to undertake educational projects and programs for children in grades kindergarten through 12, that relate to the preservation, protection, enhancement, and maintenance of coastal resources. We also have budget language in Prop. 50 that directs us to spend 10 percent, or \$14 million, of our Prop. 50 funds for training and research facilities, and nature centers. While the Conservancy has long funded educational materials for the general public that pertain to particular projects and program areas, Section 31119 is a departure from this tradition, and significant enough to merit adoption of a policy guiding how we direct our funds for those purposes.

Under Section 31119 funds can be used for projects and programs relating to the preservation, protection, enhancement, and maintenance of coastal resources. Any nonprofit organization getting a grant under this authority must document increased pupil participation in its educational programs; provide outreach to low-income, underserved, and non-coastal areas; and provide data so that we can evaluate the program. An educational grant program must meet State Board of Education—adopted content standards. Prior to the addition of this Section to our legislation, the Conservancy had funded planning and construction of several interpretive centers under the authority of the public access and resource enhancement chapters.

Proposition 50 requires that a percentage of its funds provided to the Conservancy must be used for education or training-related projects. Specifically, \$14 million of the Conservancy's share of Prop. 50 funds must be used for grants for acquisition and development of facilities to promote public access and public participation in land, water, and wildlife conservation (see Attachment B below).

REVIEW OF EDUCATION PROJECTS AUTHORIZED SINCE JANUARY 2002

Since January 2002, the Conservancy has approved several projects that have been characterized as education projects, outside of the San Francisco Bay Area. As the Bay Program has its own legislative language allowing it greater freedom to undertake these projects, S.F. Bay projects are not included in this review.

The projects are:

- 1. Sail San Francisco—Tall Ships Expo and Environmental Education Projects. Urban waterfront and education program authority cited, and funded with Environmental License Plate Funds (ELPF).
- 2. O'Neill Sea Odyssey Disabled Access and Education Project (Santa Cruz Harbor). This funded both capital costs (new elevator) and programmatic costs, using Prop. 40 funds.
- 3. Coast Alive! Education Project. Southern California counties. Funding a variety of programmatic costs, including teacher training, materials, and field trips to coastal sites. Funded with ELPF.

List of projects funded or proposed for funding with designated Prop. 50 funds:

- 1. Harmony Union School District, "green" school in Sonoma County. Prop. 50 funds, used for capital costs and restoration work focused on Salmon Creek watershed (approved by the board in October 2003).
- 2. \$350,000 proposed for funding to the Sea Center on Stearn's Wharf in Santa Barbara.
- 3. In San Francisco, a \$400,000 grant to nonprofit organization to construct a greenhouse classroom and self-contained wastewater treatment system. The classroom is located in Heron's Head Park and will be used as a base for stewardship and K through 12 environmental education programs.

RECOMMENDATIONS FOR CONSERVANCY'S EDUCATION POLICY

In addition to the existing overall statutory criteria, Board-adopted guidelines, the strategic plan, and the language of Prop. 50 and Section 31119, staff recommends the Board adopt the following policy:

- 1. The Conservancy's education program should relate to Conservancy projects and program areas as closely as possible in order to avoid duplication with other existing education programs and to maximize public benefit from the Conservancy's public investment in its projects.
- 2. The Conservancy's education program should place high priority on educational programs that serve poorer neighborhoods.
- 3. The Conservancy's education program should seek to provide opportunities for school age children to visit the coast, particularly to Conservancy-funded project
- 4. The Conservancy's efforts in education should be focused on increasing the use of existing curricula that relates to the coast and coastal resources and processes, as opposed to funding the development of new curricula.
- 5. Prop. 50 funds for education/nature centers should be spent according to the criteria and priorities indicated in the legislation. Two categories of facilities are recommended under the Prop. 50 legislation: training and research facilities for watershed protection and water conservation; and nature centers that are in or adjacent to wetlands identified for protection. (See Attachment B for full text.)
- 6. Prop. 50 funds for education/nature centers should be divided in some equitable fashion between the regions, and each region should recommend a priority list of projects for funding. Criteria to use for evaluating projects proposed for each region include: lack of existing facilities (*i.e.*, demonstration of need); proposed location should be capable of serving a large audience; and each region should get at least one education grant.
- 7. Taken as a whole, the Conservancy grants for education projects and facilities should represent a diverse range of subjects and disciplines relating to coastal resources.

ATTACHMENT A

Public Resources Code

- **§31119**. (a) (1) The conservancy may undertake educational projects and programs for pupils in kindergarten to grade 12, inclusive, relating to the preservation, protection, enhancement, and maintenance of coastal resources, and may award grants to nonprofit organizations, educational institutions, and public agencies for those purposes, subject to the limitations contained in subdivision (b).
- (2) An educational grant program established pursuant to paragraph (1) shall include all of the following:
- (A) Funds provided for the educational program may be used for planning and implementation or development of marine science education programs.
- (B) An educational program shall meet State Board of Education adopted content standards.
- (C) The conservancy may consult with the Superintendent of Public Instruction prior to awarding grants pursuant to this section.
- (D) A grant recipient shall use a portion of any funding provided for an educational program to promote maximum participation of pupils and schools, by providing scholarships or grants for this purpose.
- (E) A nonprofit organization shall comply with all of the following as a condition of receiving a grant:
 - (i) Document increased pupil participation in its educational programs.
 - (ii) Provide outreach to low-income, underserved, and noncoastal areas.
 - (iii) Maintain any data necessary for evaluation, as determined by the
- (b) The conservancy is not required to take any action under subdivision (a), unless and until new funds from sources not currently available to the conservancy are made available by the Legislature for the purposes described in subdivision (a). No more than 10 percent of the funds provided for the educational programs under subdivision (a) may be used for the costs of the conservancy in administering the projects. No General Fund money may be used to fund a grant awarded pursuant to subdivision (a) to a local public educational agency or community college.

ATTACHMENT B

Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002: Section 79571

Ten percent of the money allocated in each of the categories in Section 79570 shall be used for grants for the acquisition and development of facilities to promote public access to and participation in the conservation of land, water, and wildlife resources. Eligible projects include, but are not limited to, the following:

- (a) Training and research facilities for watershed protection and water conservation activities conducted by nonprofit organizations. Priority shall be given to projects operated by nonprofit organizations in collaboration with the University of California and public water agencies.
- (b) Nature centers that are in or adjacent to watersheds and wetlands identified for protection pursuant to this chapter, that provide wildlife viewing, outdoor experiences, and conservation education programs to the public and to students. Priority shall be given to projects that are operated by or in cooperation with nonprofit organizations and are designed to serve children from urban areas that lack access to natural areas and outdoor education programs.